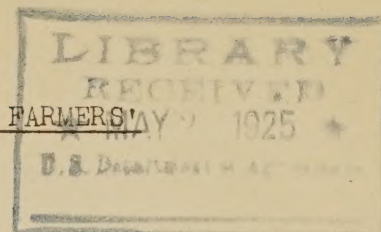


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DEPARTMENT OF AGRICULTURE LOOKING OUT FOR FARMERS
MARKET CREDIT NEEDS



That the Department of Agriculture at Washington is bent on doing everything to make it possible for the farmer to market his crops orderly and at the same time be properly financed is evident from the fact that all field workers of the Department who are connected with the administration of the United States warehouse Act were called to Washington this month for a conference with officials directly responsible for the work.

Mr. H. S. Yohe who is in charge of Administering the Warehouse Act reports that at the conference various means were considered for unifying action among all the workers and for bringing to the attention of the farmer the Federal Warehouse Act and the ways in which he can be served through this law.

The conference in Washington was addressed by men nationally prominent in agriculture and finance. Among the speakers were George R. James and Edmund Platt, Members of the Federal Reserve Board; M. L. Corey, formerly Member of the Federal Farm Loan Board and now actively associated with bankers in New York City, and Secretary of Agriculture Jardine.

The Secretary in addressing the Department workers said in part:

"One of the greatest problems which has ever faced American agriculture has resulted from dumping large volumes of farm products on the market during the first few months after harvest. Such a practice has resulted in gluts and periods of low prices. We have done a lot

of talking about orderly marketing in years past but it has only been of more recent date that real progress has been made. We recognized that a flow of farm products to market in keeping with consumptive demand was essential but many factors presented themselves to make this difficult. We had no way of advancing to farmers a proportion of the price for their products which might be stored and kept off the market.

"The United States warehouse Act, particularly as it has been amended, gives farmers of this country a handy vehicle to use in bringing about a more even distribution of their products. The big purpose of the Act is to develop a form of warehouse receipt which would be acceptable generally to bankers as security on loans for products in storage.

"In the passage of the Act Congress recognized that the warehouse receipt was a most important piece of paper in securing the needed credit to permit the orderly marketing of farm products. But it makes no difference how good the law is if there is not sound progressive administration back of it."

In order that the law shall be administered on a sound basis and that nothing is left undone to give the farmer who patronizes a Federally licensed warehouse the best form of warehouse receipt obtainable, Secretary Jardine emphasized to the men assembled in Washington the necessity for

close and rigorous supervision of licensed warehouses. He pointed out the need for thoroughness in making investigations of warehousemen who apply for licenses under the law and then stressed the need for thorough supervision after warehousemen have been licensed. He referred to the inspections of warehousemen after being licensed as "the backbone of the Warehouse Act", and that these inspections "are just as important as examinations made by the National Bank examiners under the National Banking Act. I cannot over-emphasize the matter of these subsequent inspections if the integrity of your work is to be maintained at its present high point. We get an idea of the importance of these inspections from the knowledge that in one of our cotton districts last year approximately 1,650,700 bales of cotton were handled with a conservative estimated value of \$206,337,500".

The Secretary indicated that of the thirteen cotton growers' cooperative associations operating on a state-wide basis, eleven of them are storing their cotton only in Federally licensed warehouses and that all the big tobacco growers' associations with the exception of one are using such licensed warehouses exclusively. He further indicated that the Southwest Wheat Growers, the Kansas Wheat Growers, the Indiana Farm Bureau Wheat Growers and the Pacific Coast Wool Growers are using Federally licensed warehouses. The Secretary also referred to the fact that thousands of farmers are depending upon the Department to protect their interests through the United States warehouse Act.

In concluding his remarks, the Secretary said "Banks are depositories of money. Warehouses under the Federal law are depositories of agricultural

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products. As far as responsibility in supervision is concerned there is little difference between them.

"Orderly marketing is one of the keystones in the permanent prosperity of our agriculture. You men hold one of the keys to the solution of the difficult marketing problem. I charge you, on behalf of the American farmer, to maintain the integrity of the warehouse receipt."

With this charge on the part of the Secretary of Agriculture given in person to his field workers connected with the enforcement of the United States warehouse Act, it is apparent that the Secretary intends to leave nothing undone to make it possible for the farmer to get a warehouse receipt which will protect his interests and give to the bankers of the country a warehouse receipt which will protect their interests and which will make it possible for them to loan at fair rates of interest to deserving farmers so that they can market their crops in orderly fashion.

Mr. Yohe reports a constantly increasing interest on the part of the growers and of warehousemen in the United States warehouse Act. But further points out that if the farmers want to get the full benefit of this law, if they desire to store their products or part of them and thus market orderly, they must insist that the warehousemen with whom they store shall give them a warehouse receipt issued under authority of this law. That means that the warehousemen must apply to the Secretary of Agriculture for a license to operate under the law. They must meet the Department's tests and be supervised by the Department.

The receipts which they can then issue to the farmer will be found to be acceptable by any banker. The initiative rests with the farmer.

He must demand and insist on having the federal warehouse receipt.

The Department of Agriculture is ready to serve. But it cannot insist on the warehousemen becoming licensed. That action is for the farmer to take. If he wants to be assured of getting the proper receipt which will mean ready credit at fair rates of interest he ought to get his warehousemen to file his application immediately.

End.

